

March 8<sup>th</sup>, 2024  
Volume 259, Issue 1125  
Week 10



**“You don't have to be a genius or a visionary or even a college graduate to be successful. You just need a framework and a dream.”**

– Michael Dell (Dell Corp.)

## Highlights:

- Smaller sales.
- Chartering firm.
- Must make the most.
- India downturn.
- Mixed fortunes.
- Scan to download and view the GMS Weekly on our Recycling App!



## MARKET COMMENTARY

### TONNAGE TRANQUILIZED!

Even though the Indian sub-continent ship recycling markets are being painfully introduced to a merciful collection of small(er) LDT vessels of late - the sales of which are being confirmed via the weekly port reports of both Bangladesh and a (fiery) Pakistan - it has remained an utterly sleepy & tranquilized week across the major ship recycling markets; including Turkey, which suffered further declines of its own this week. As such, given the near-total lack of market offerings, virtually no deals have been concluded (as evident from the weekly dithering traffic patterns at the various waterfronts of late), and a surprisingly lethargic India that remains puzzlingly peculiar at the bidding tables, 2024 certainly has put the squeeze on the global ship-recycling sector.

Dry bulk charter rates have been pushing on by the week as Ship Owners monetize the most from this sector. Containers and tankers too remain oddly off the recycling buffet and this in turn is driving the ongoing dearth of viable candidates into overdrive, as chartering rates continue to hold through a time that many had been expecting them to falter with the turn of the year. Global economies certainly have the trigger-haply Houthis to thank for the aggression in the Red Sea lanes as reportedly, another vessel was attacked & subsequently sank this week.

Ship Recyclers have therefore been left famished, trying to make it through this most recent of prolonged tonnage famines, as crumbs of small LDT units have seemingly taken the limelight of late, including several poor(er) condition Far East built / owned / operated units that remain less desired, in light of their above-average weight-loss due to the poorer condition of their steel, the number of removals from the vessel by the Owners and the Crew, permanent ballast onboard, and corroded ballast tank issues, just to name a few.

On the ship-recycling markets front, Bangladesh continues to lead the way for another week, with Pakistan barely an arms-length behind. Yet, there have been a few indications that Gadani levels may be on the down in the coming weeks as local demand & L/C limits have been satisfied for the time being. India also continues to struggle as Alang Recyclers endure this prolonged downturn in their market and suffer through loss making deals just to acquire tonnage, all while Chinese steel is being offloaded despite strict anti-dumping measures being set in place. As such, it was a mixed overall week, with perhaps some trouble brewing on the horizon for the Indian & Turkish markets as their struggles show few signs of dissolving any time soon, and Bangladesh & Pakistan fail to get acquire any meaningful tonnage, despite demand & L/C limits being firm.

For week 10 of 2024, GMS demo rankings / pricing for the week are as below.

Rank	Location	Sentiment	Dry Bulk USD / LDT	Tankers USD / LDT	Containers USD / LDT
1	Bangladesh*	Steady	510 / LDT	530 / LDT	550 / LDT
2	Pakistan*	Steady	500 / LDT	520 / LDT	540 / LDT
3	India	Weak	480 / LDT	500 / LDT	520 / LDT
4	Turkey	Declining	320 / LDT	330 / LDT	340 / LDT

## BANGLADESH

### CAUTION, AHEAD!

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*Chinese tonnage sold.*

The news of several fixtures into Bangladesh has emerged this week, as a bevy of Far East owned & operated units at the end of their trading lives are reportedly enroute to the nation's recycling waterfront. Nonetheless, even with further deliveries expected locally in the coming week(s), Chattogram Choppers continue to show few signs of holding back and have been handily snagging whatever tonnage has been coming their way of late.

Their ongoing aggression is also evident via this week's local fixtures, as the older and small(er) LDT Bulk Carriers, the LIAN FENG 6 (6,537 LDT) & the YAMTAI (6,003 LDT). both of which managed to fetch, not only a surprisingly firm USD 520/LT LDT and USD 480/LT LDT respectively, but both fixtures have also been concluded basis an 'as is' Singapore delivery. Certainly, refreshing for Ship Owners to witness USD 500+/LT LDT levels on relatively smaller LDT, on 'as is' units once again.

Another 2007 built, smaller LDT, and laid-up Chinese feeder container, the FAR EAST CHEERS (3,651 LDT) was also committed for an equally impressive (and firmer) USD 530/LT LDT on a delivered basis. Winding up the tail-end of the small LDT sales was U-Ming's cement carrier ASIA CEMENT NO. 1 (2,234 LDT), at a decent USD 375/LT LDT (given her 2K LDT), for a guaranteed onward HKC resale by the concerned Cash Buyer and that too basis an 'as is' Taiwan delivery.

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*Malaise seeps in.*

This ongoing aggression to buy has been (primarily) driven by the local government's recently relaxed L/C restrictions, in addition to the Bangladeshi Taka that remains stable at BDT 109.48 against the U.S. Dollar, all while the still flatlining (stability?) of local steel plate prices are at levels that are evidently strong enough for domestic recyclers to offer ever-so firmly at the bidding tables once again.

Notwithstanding the above (including the collection of this week's fixtures), a gradual malaise seems to be seeping back into this market once again, given that many of the keener buyers have absorbed their share of tonnage in this most recent run, and having utilized their L/C limits in a timely manner, these recyclers may have also satiated their appetite just in time for the pre-monsoon run, which that has historically seen levels rise across the sub-continent recycling destinations during May.

### MARKET SALES REPORTED

VESSEL NAME	TYPE	LDT	REPORTED PRICE
ASIA CEMENT NO.1	Cement Carrier	2,234	USD 375/LT LDT 'as is' Taiwan for guaranteed HKC resale
FAR EAST CHEERS	Container	3,651	USD 530/LT LDT
LIAN FENG 6	Bulker	6,537	USD 520/LT LDT
YAMTAI	Bulker	6,003	USD 480/LT LDT 'as is' Singapore

## INDIA

### SELF-INDUCED SUPPRESSION!

Ever since the conclusion of the recent batch of large LDT HKC-only containers into Alang back in January and other than the occasional recycling candidate to grace WC India's presently isolated beaching lanes, Alang has all but turned into a ghost town of late, resulting in an extremely lacklustre market at this time - one that doesn't seem to have any sign of letting steam off just yet.

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*Lacklustre.*

Moreover, the ability of Alang Recyclers to pay far firmer levels for HKC tonnage & specialty units (when compared to its competing neighbours) has become this market's hallmark & double-edged "saving grace" at the same time, especially in light of Alang's pervasively confused state of affairs since the start of 2024.

On the one hand, even though this "saving grace" has helped Indian Recyclers corner a segment of the market that would otherwise have ended up at a competing destination, on the other hand, it has also navigated a path into a state of self-induced suppression of local appetite, as there have been nothing but non-HKC & non-specialist units on offer of late.

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*Lack of tonnage.*

The few Buyers who are coming out of the woodwork to negotiate at the bidding tables are only doing so ever so selectively on choice units. Yet, **why** remains the \$ Million/Ton question, given that even though the present is such a bleak time for the Indian ship recycling sector, and it has (likely) not witnessed such a shortage in the volume of supply in decades, this should technically be driving demand & prices to the stars at this time, but it is not. Making matters even more puzzling is the fact that the industry is not only witnessing the Indian Rupee continually firm against the U.S. Dollar over the last several weeks and ending this one at levels around Rs. 82.70, but local steel plate prices also continue to show signs of stability and even recovery of late, as they realized several US\$ / Ton during this time.

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*Anti-dumping.*

Notwithstanding, what India is currently dealing with is that far from HKC / specialist units, there is simply no tonnage available for recycling at present. Local Recyclers are also dealing with a far more-aggressive & geographically better-positioned Bangladesh that has been grabbing all of the marginal supply of Chinese controlled tonnage opening up in the Far Eastern recycling lanes, as is the Pakistani market on the West. Finally, despite strict anti-dumping policies being in place in India, the import of cheaper Chinese material / billets, in addition to the pervading anxiety of the upcoming elections may collectively be why local Buyers continue to suppress the domestic market.

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**NO MARKET SALES REPORTED**

## PAKISTAN

### SEEKING SALES!

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*Lacking candidates.*

Even after the beaching of a Capesize Bulker in Gadani last week, we continue to see a seemingly enduring dribble of tonnage seeping onto Gadani shores (as evident from this week's port position), and it has remained a quieter overall period in Pakistan, given the minimal number of viable market candidates that are presentl available to Ship Recyclers worldwide.

Fundamentally, due to the various reasons mentioned in the Market Commentary above i.e. geopolitical concerns & firming freight rates, Pakistani Buyers have been left frustrated, relying instead (like their Bangladeshi counterparts) on their share of the small(er) LDT tonnage that has been opening up in, and even around, regional waters.

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*HKC on horizon.*

The domestic frustration has been visible as Gadani Buyers remain close on the pricing-heels of their Chattogram counterparts, on account of easing of L/C restrictions of their own, as well as domestic fundamentals that continue to display a degree of stability via the Pakistani Rupee, though jittery through the week, ended the week on a positive (albeit marginal) note at PKR 278.93 against the U.S. Dollar, and local steel plate prices continue to flatline at a relatively firm trading level that, like the Bangladeshi market, is seemingly sufficient to enable Gadani Recyclers to continually offer firm.

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*Upgrades due, Positive Times.*

Finally, with only 16 months to go before the accession of the HKC into force and with Pakistan ratifying the convention only recently, the hard work and investments needed must promptly commence, in order to upgrade standards & infrastructure at domestic ship recycling facilities to operate, not only in line with the requirements of the HKC, but also to maintain the same standard of operations at the raft of improving yards in India & Bangladesh.

As such, regardless of future inflow of tonnage, the upcoming 16 months certainly seem to be a positive time for this market.

**NO MARKET SALES REPORTED**

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## TURKEY

### W. T. INFLATION!!!

Turkey's inflation has seemingly blossomed into a petulant teenager of late, defiant in its rise over recent years surfing a downward spiral either with, or dragging down, key fundamentals that have colluded to finally break the inexplicable vessel-pricing backbone that had held local offerings so unsustainably high this far.

In fact, this week Turkey's Lira registered a spike that nearly broke past TRY 32 against the U.S. Dollar, as it closed the week out at TRY 31.90. Even local steel plate prices weren't spared by the ongoing collective decline as both import & local steel prices registered declines of about USD 10 and USD 5 / Ton respectively.

The double-edged sword that Aliaga Buyers are now having to contend with is that not only are two sub-continent ship recycling locations jointly on the pricing rise, but the more important question for Turkish Buyers is if Ship Owners will be willing to conclude their tonnage into Aliaga at the lows that are expected from Turkey in the near future, especially if this most recent decline continues until it catches up to where domestic inflation dictates vessel prices should've been to begin with.

Certainly not good sign for nation's domestic ship recycling sector.

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*32 Already?*

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*Will Owners bite?*

## INTERESTING FACTS IN TECH & PHYSICS

- *In 2023, ChatGPT-4 changed AI forever. While ChatGPT was still enthralling first-time users, its creators, OpenAI, unveiled a major upgrade to the chatbot this year. Called GPT-4, the upgraded version allows users to input image prompts (not just text) and, apparently, is less likely to invent facts. The new model is currently only available to paid subscribers, while ChatGPT remains open to the public.*
- *A machine was made that can read your mind. A machine that reads your thoughts became more science fact than science fiction, thanks to neurotechnologists at the University of Texas at Austin, USA. The decoder is the first wireless and non-invasive machine to do this, using functional magnetic resonance imaging (fMRI) to measure the changes in blood flow around your brain – translating ideas into continuous, natural language.*
- *Computers became architects. June saw the announcement of yet another AI project: Neuralangelo, a piece of software capable of generating lifelike virtual replicas of intricate 3D models, such as buildings and sculptures. Eventually, it could enable developers to import detailed objects into virtual environments like video games.*
- *A key theory of gravity became reality. Fifteen years of theories and painstaking observations culminated in the discovery of the first evidence of low-frequency gravitational waves rippling through the Universe. The discovery could answer some of our biggest questions about how the Universe was born.*
- *The James Webb Space Telescope catches sight of some of the oldest barred galaxies ever discovered. Two of the six date back to when the Universe was 3.4 billion years old, a quarter of its current age.*

### IMPORTANT DATES

INDIA	
BANK HOLIDAYS	BEACHING TIDES
March 08 – Maha Shivratri March 25 – March 26 – Holi March 29 – Good Friday	March 08 – March 15 March 26 – March 30

BANGLADESH	
BANK HOLIDAYS	BEACHING TIDES
March 17 – Sheikh Rehman’s Birthday March 26 – Independence Day	March 11 - March 14 March 25 – March 28

BANK HOLIDAYS		
CHINA	PAKISTAN	TURKEY
No Holidays through March	March 11 – Bank Holiday Only March 23 – Pakistan Day	No Holidays through March

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## ALANG - Port Position as of March 08, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Ancier	9,283	RoRo	Arrived February 28
<b>Total Tonnage</b>		<b>9,283</b>		

## CHATTOGRAM - Port Position as of March 08, 2024

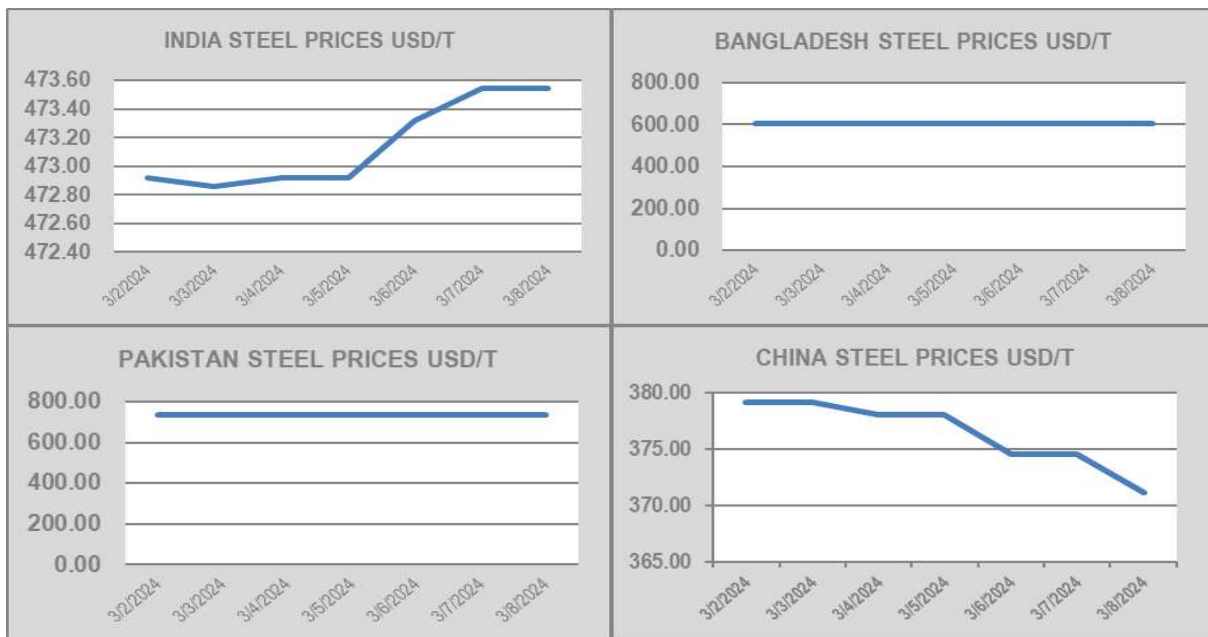
No.	VESSEL NAME	LDT	TYPE	STATUS
1	EZ Fortuna	7,371	Bulk Carrier	Arrived March 07
2	Xin Xiang An	5,113	Bulk Carrier	Beached March 02
3	Yildizlar 2	10,347	Woodchips Carrier	Arrived March 07
<b>Total Tonnage</b>		<b>22,831</b>		

## GADANI - Port Position as of March 08, 2024

No.	VESSEL NAME	LDT	TYPE	STATUS
1	Dhafi	6,040	Passenger	Beached March 03
2	Oscar 1	1,048	General Cargo	Arrived March 02
<b>Total Tonnage</b>		<b>7,088</b>		

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DATE	INDIA STEEL PRICES USD/T	INDIA STEEL PRICES	PAKISTAN STEEL PRICES USD/T	PAKISTAN STEEL PRICES	BANGLADESH STEEL PRICES USD/T	BANGLADESH STEEL PRICES	CHINA STEEL PRICES USD/T
3/2/2024	472.92	39,200.00	736.28	208,000.00	607.32	74,700.00	379.21
3/3/2024	472.86	39,200.00	736.28	208,000.00	607.32	74,700.00	379.21
3/4/2024	472.92	39,200.00	736.28	208,000.00	607.32	74,700.00	378.06
3/5/2024	472.92	39,200.00	736.28	208,000.00	607.32	74,700.00	378.06
3/6/2024	473.32	39,200.00	736.28	208,000.00	607.32	74,700.00	374.56
3/7/2024	473.54	39,200.00	736.28	208,000.00	607.32	74,700.00	374.56
3/8/2024	473.54	39,200.00	736.28	208,000.00	607.32	74,700.00	371.24



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